

Response to Jan. 29, 1998 report

CITY OF SAN DIEGO RESPONSE TO GRAND JURY REPORT
"THE TICKET GUARANTEE"

Pursuant to Penal Code section 933.05, the City of San Diego provides the following responses to the above entitled Grand Jury Report.

FINDINGS:

1. The City has no information to enable it to agree or disagree with the finding.
2. The City has no information to enable it to agree or disagree with the finding.
3. The City agrees with the finding.
4. The City has no information to enable it to agree or disagree with the first sentence of the finding. The City agrees with the second sentence of the finding.
5. The City agrees that the ticket guarantee was proposed as a solution to the Chargers' demand for 5 years free rent at Qualcomm Stadium. The ticket guarantee, however, was not solely a City idea, but was developed mutually.
6. The City has no information to enable it to agree or disagree with the first sentence of the finding because it concerns confidential communications with the Grand Jury. The City agrees with the second sentence of the finding.
7. The (then) City Manager provided the City Council with attendance figures over a ten year period. The three years immediately prior to the 1995 agreement were expected to be representative of future attendance because of the perception that the Chargers would continue to be successful on the field. The last sentence in the finding is ambiguous. The City initially sought to have the guarantee apply to all seats at the stadium, the Chargers insisted on general admission seats only. It was necessary to make that agreement to close the deal.
8. The City disagrees with the finding. The City Council was provided the ten year attendance history. It was felt that the recent season were more indicative of the Chargers' future success than the more distant past.
9. The City has no information to enable it to agree or disagree with the first sentence of the finding because it concerns confidential communications with the Grand Jury. The City agrees with the second sentence of the finding.
10. The City agrees with the first two sentences of the finding.. The City disagrees that the ticket guarantee was "fraught with risk" but agrees there was some risk.

11. The City has no information to enable it to agree or disagree with the finding because it concerns confidential communications with the Grand Jury. The City did recently complete a study under consultation with Deloitte and Touche that reviewed the ticket guarantee, which determined that the contract is beneficial financially to the City.

RECOMMENDATIONS:

- 98/7. The recommendation has been implemented in part in that the Chargers have been approached about modifying the attendance guarantee and the Chargers have refused. The recommendation is not reasonable in full because a public request may harm relations with the Chargers and forestall any hope of future discussions on the matter.
 - 98/8. The recommendation was discussed by the City Council at several hearings on the status of the "City Box." The recommendation was ultimately rejected but the policy governing the use of the City Box was modified to make more clear that its use was to be for the purpose of promoting the City and County of San Diego.
 - 98/9. The recommendation was implemented in part during the negotiations for the MOU on the new ballpark. The Council appointed a liaison from its members, and the Mayor participated directly in the negotiations as well. More complete and numerous briefings on the negotiations were held with the Council. A similar approach will be considered for all future sports contract negotiations.
 - 98/10. Many individuals and businesses worked with the City in addressing the ticket guarantee. The City has extended its appreciation and will consider further recognition, as appropriate.
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